

JUN 10 1994

OFFICE OF THE CLERK

No. 92-2038

IN THE
Supreme Court of the United States
OCTOBER TERM, 1993

ASGROW SEED COMPANY,
Petitioner,

v.

DENNY WINTERBOER and BECKY WINTERBOER,
d/b/a/ DEEBEES,
Respondents.

**On Writ Of Certiorari To The United States
Court Of Appeals For The Federal Circuit**

JOINT APPENDIX

RICHARD L. STANLEY
Arnold, White & Durkee
750 Bering Drive
Suite 400
Houston, Texas 77057
(713) 787-1400

WILLIAM H. BODE
William H. Bode & Associates
1150 Connecticut Ave., N.W.
Ninth Floor
Washington, D.C. 20036
(202) 828-4100

Counsel for Petitioner

Counsel for Respondents

**PETITION FOR WRIT OF CERTIORARI FILED JUNE 23, 1993
WRIT OF CERTIORARI GRANTED APRIL 18, 1994**

JOINT APPENDIX

TABLE OF CONTENTS

	Page
Chronological List Of Relevant Docket Entries <i>Asgrow Seed Co. v. Winterboer</i> , et al, No. 91- CV-4013, United States District Court for the Northern District of Iowa	1
Chronological List Of Relevant Docket Entries, <i>Asgrow Seed Co. v. Winterboer</i> , No. 92-1048, United States Court of Appeals for the Federal Circuit	8
Letter to Dr. W. R. Fehr from S. F. Rollin Commissioner, Plant Variety Protection Office, Grain Division (April 19, 1973)	13
<i>Plant Variety Protection</i> , Iowa Certified Seed News, September-October 1984, pp. 1-2	16
<i>Plant Variety Protection</i> , Iowa Certified Seed News, November-December 1985, p. 2	18
Memorandum to Paul Fuller, Director, Live- stock and Seed Division from Kenneth H. Evans, Commissioner, Plant Variety Protection Office (October 18-24, 1987)	20
Memorandum to Paul M. Fuller, Director, Live- stock and Seed Division from Kenneth H. Evans, Commissioner, Plant Variety Protection Office (March 9, 1988)	21

Report Of PVP Farmers' Exemption Study Committee (April 1988) (with Roster of Study Committee Appended)	23
Memorandum to Thomas M. Walsh, Assistant General Counsel, Marketing Division, OGC from Paul M. Fuller, Director, Livestock and Seed Division (circa August 26, 1988)	32
Mary Knudson and LeRoy Hansen, Intellectual Property Rights and the Private Seed Industry, 4-5 (United States Department of Agriculture, Economic Research Service, <i>Agricultural Economic Report</i> No. 654 (1991)) . .	34
Complaint For Preliminary Relief And Permanent Injunction And Damages (filed January 24, 1991) (exhibits omitted).	36
Answer (filed February 13, 1991)	42
The following opinions, judgments, orders, and materials have been omitted from the printing of the Joint Appendix because they appear on the following pages in the Appendix to the Petition for Certiorari ("Pet.App."):	
District Court Opinion, 795 F. Supp. 915 (N. D. Iowa Sept. 30, 1991), modified on reconsideration, (November 14, 1991)	15a
Court of Appeals Opinion, 982 F.2d 486 (Fed. Cir. Dec. 21, 1992)	1a

Court of Appeals Decision Denying Rehearing And Declining Suggestion For Rehearing In Banc, 989 F.2d 478 (Fed. Cir. March 25, 1993), with Concurring Opinion by Judge Rader entered March 29, 1993) and with Dissenting Opinion by Judge Newman (entered March 25, 1993)	27a
Court of Appeals Order Staying Mandate (Fed. Cir. April 12, 1993)	39a
Full Text of 7 U.S.C. § 2541	40a
Full Text of 7 U.S.C. § 2543	41a

**CHRONOLOGICAL LIST OF RELEVANT
DOCKET ENTRIES IN DISTRICT COURT**

U.S. District Court
Northern District of Iowa (Western)

CIVIL DOCKET FOR CASE #: 91-CV-4013

Filed: 01/24/91

Asgrow Seed Company v.

Winterboer, et al

Assigned to: Judge

Donald E O'Brien

Demand: \$0,000

Lead Docket: None

Dkt# in other court: None

Nature of suit: 891

Jurisdiction: Federal

Question

Cause: 07:2321 Plant Variety Protection Act

1/24/91

Complaint (Summons(es) w/notice,
consents, LR16 and reports to atty for
svc) Schedule Rpt ddi 05/24/91 (jh)
[Entry date 01/14/93]

2/13/91

ANSWER by defendants Dennis
Winterboer, Becky Winterboer to
Complaint [1-1] (jh) [Entry Date
01/14/93]

2/13/91

MOTION by plaintiff Asgrow Seed
Company for preliminary injunction,
for immediate hearing w/attach (note
to law clerk) assigned to Judge Donald
E. O'Brien (jh) [Entry date 01/14/93]

2/13/91 MEMORANDUM Brief by plaintiff Asgrow Seed Company in support of motion for preliminary injunction [4-1] (jh) [Entry date 01/14/93]

2/15/91 RESISTANCE by defendants Dennis Winterboer, Becky Winterboer to motion for preliminary injunction [4-1] (jh) [Entry date 01/14/93]

2/19/91 AFFIDAVIT of Craig A Raby (jh) [Entry date 01/14/93]

3/5/91 MEMORANDUM Brief by defendants Dennis Winterboer, Becky Winterboer in opposition to motion for preliminary injunction [4-1] (jh) [Entry date 01/14/93]

3/8/91 REPLY Brief by plaintiff Asgrow Seed Company re in support of motion for preliminary injunction [4-1] (jh) [Entry date 01/14/93]

3/26/91 MOTION by defendants Dennis Winterboer, Becky Winterboer to strike testimony of Dale Porter w/attach assigned to Judge Donald E. O'Brien (jh) [Entry date 01/15/93]

4/30/91 STIPULATED ORDER by Judge Donald E. O'Brien setting aside motion for preliminary injunction [4-1]; Issue of liability bifurcated from all other issues in cause and determined whether by motion or trial

b/f any other issues determined; motion for SJ filed by May 24, 1991; opposition to motion for SJ by June 10, 1991; any reply briefs by June 19, 1991 (see text) (cc: all counsel) (jh) [Entry date 01/15/93]

5/8/91 MEMORANDUM of Law by plaintiff Asgrow Seed Company in opposition to motion to strike testimony of Dale Porter [21-1] (jh) [Entry date 01/15/93]

5/23/91 MOTION by plaintiff Asgrow Seed Company for summary judgment assigned to Judge Donald E. O'Brien (jh) [Entry date 01/15/93]

5/23/91 STATEMENT of undisputed facts by plaintiff Asgrow Seed Company in support of motion for summary judgment [27-1] w/attach (jh) [Entry date 01/15/93]

5/23/91 MEMORANDUM of Law by plaintiff Asgrow Seed Company in support of motion for summary judgment [27-1] (jh) [Entry date 01/15/93]

5/24/91 MOTION by defendants Dennis Winterboer, Becky Winterboer for summary judgment assigned to Judge Donald E. O'Brien (jh) [Entry date 01/15/93]

5/24/91 MEMORANDUM by defendants Dennis Winterboer, Becky Winterboer in support of motion for summary judgment [31-1] (jh) [Entry date 01/15/93]

5/24/91 STATEMENT of facts as to which there is no genuine issue by defendants Dennis Winterboer, Becky Winterboer in support of motion for summary judgment [31-1] (jh) [Entry date 01/15/93]

6/7/91 RESISTANCE by plaintiff Asgrow Seed Company to motion for summary judgment [31-1] (jh) [Entry date 01/15/93]

6/7/91 RESPONSE by plaintiff Asgrow Seed Company to Defts Statement of Facts [33-1] (jh) [Entry Date 01/15/93]

6/7/91 MEMORANDUM Brief by plaintiff Asgrow Seed Company in opposition to motion for summary judgment [31-1] (jh) [Entry date 01/15/93]

6/10/91 AFFIDAVIT of Lawrence C Maxwell (refiling w/attach sealed envelope on correspondence side) (jh) [Entry date 01/15/93]

6/10/91 MEMORANDUM by defendants Dennis Winterboer, Becky Winterboer in opposition to motion for summary judgment [27-1] (jh) [Entry date 01/15/93]

6/14/91 MEMORANDUM Brief w/attach Table of Contents by plaintiff Asgrow Seed Company in opposition to motion for summary judgment [31-1] (jh) [Entry date 01/15/93]

6/17/91 REPLY Brief by plaintiff Asgrow Seed Company in support re motion for summary judgment [27-1] (jh) [Entry date 01/15/93]

6/19/91 REPLY Memorandum by defendants Dennis Winterboer, Becky Winterboer in support re motion for summary judgment [31-1] (jh) [Entry date 01/15/93]

7/1/91 AFFIDAVIT of Gary Starwalt w/attach (notified atty no cert of svc) (jh) [Entry date 01/15/93]

7/19/91 MINUTES: ruling reserved on pltfs motion for summary judgment [27-1], ruling reserved on defts motion for summary judgment [31-1], ruling reserved on defts motion to strike testimony of Porter [21-1]; parties send letter (jh) [Entry date 01/15/93]

9/30/91 ORDER by Judge Donald E. O'Brien granting motion for summary judgment [27-1], granting motion for preliminary injunction [4-1] defts enjoined from selling seed, except for

saved seed, to other farmers and/or engage in any form of "brown bagging"; denying motion for summary judgment [31-1]; separate proceeding held at courts earliest convenience to determine damages, parties file brief addressing 7USC2567 and potential effect on amount of damages could be awarded in action (cc: all counsel) (jh) [Entry date 01/15/93]

10/28/91 BRIEF FILED on 7USC2567 by plaintiff Asgrow Seed Company (jh) [Entry date 01/15/93]

10/28/91 MOTION by plaintiff Asgrow Seed Company to clarify order assigned to Judge Donald E. O'Brien (order to Judge) (jh) [Entry date 01/15/93]

10/28/91 NOTICE OF APPEAL to US Court of Appeals for Federal Circuit by defendants Dennis Winterboer, Becky Winterboer from Dist. Court decision (order of Sept 30, 1991) [49-1] (cc: all counsel) w/dkt sheet US CCA w/dkt sheets, Order (jh) [Entry date 01/15/93]

11/12/91 MOTION by defendants Dennis Winterboer, Becky Winterboer to stay proceedings pending appeal w/attach assigned to Judge Donald E. O'Brien (jh) [Entry date 01/15/93]

11/14/91

ORDER by Judge Donald E. O'Brien granting motion to clarify order [51-1] Footnote 5 on page 10 of court order of Sept 30, 1991 stricken and following substituted (see text); what court deciding in order was that question of any violation of labeling portion of the Plan Variety Protection Act need not be addressed as a violation found under other sections (cc: all counsel) (certified copies to Federal Circuit and 8th Circuit) (jh) [Entry date 01/15/93]

1/22/92

TRANSCRIPT of hearing held on July 19, 1991 (in clerks office) (jh) [Entry date 01/15/93]

CHRONOLOGICAL LIST OF RELEVANT DOCKET
ENTRIES IN COURT OF APPEALS

Term and Docket No. 92-1048

November 14, 1991 Notice of appeal and certified list,
docketed. Notice sent to the parties.
(jb)

Jan 13, 1991 BRIEF FOR THE APPELLANT,
filed. (MS-1/13/92) (cr)

9. APPELLEE'S - MOTION TO
STRIKE UNDER RULES 2 AND 27
AND FOR COURT TO TAKE
JUDICIAL NOTICE UNDER
FED.R.EVID. 201(B)(2). (30)
DEFERRED TO MERITS PANEL
ASSIGNED TO HEAR THIS CASE.
BY: MOTIONS PANEL. JUDGE:
RICH. (MS-02/04/92) FILED:
02/05/92. REPLY 1 (13) FILED:
02/18/92. (EOD 03/09/92 BY ETW)
92-1048

Feb 25, 1992 BREIF FOR THE APPELLEE, filed.
(MS-2/25/92) (cr)

Mar 9, 1992 BREIF FOR AMICUS CURIAE
(*Jacob Hartz seed Co. Inc.*) filed.
(MS-2/25/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*Pioneer Hi-Bred Inter, Inc.*) filed.
(HD-2/21/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*Northrup King Co*) filed. (MS-
3/21/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*The Dole Fresh Vegetables, Inc.*)
filed. (MS-2/21/92) (cr)

Mar 9, 1992 BREIF FOR AMICUS CURIAE
(*The Agrigenetics Company*) filed.
(MS-2/21/92) (cr)

Mar 9, 1992 BREIF FOR AMICUS CURIAE
(*Agripro Biosciences Inc.*) filed.
(MS-2/20/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*Delta and Pine Land Co.*) filed.
(MS-2/25/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*Golden Harvest Seed, Inc.*) filed.
(MS-2/25/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*Of Dekalb plant Genetics*) filed.
(MS-2/25/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*American Seed Trade Asso*) filed.
(MS-2/21/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(*Stonville Pedigreed Seed Co.*) filed.
(MS-2/24/92) (cr)

Mar 9, 1992 BRIEF FOR AMICUS CURIAE
(corrected)
(Tanimura & Antle, Inc.) filed. (MS-
2/24/92) (cr)

Mar 23, 1992 REPLY BRIEF FOR APPELLANTS,
filed. (MS-3/23/92) (cr) [40 page
limitation allowed per Order dated
3/9/92 (#30)]

Mar 30, 1992 JOINT APPENDIX Vols-I-II 12
copies each filed. (MS-3/30/92) (cr)

32. APPELLEE'S - MOTION
UNDER RULES 27 AND 30 TO
FILE A SUPPLEMENTAL
APPENDIX, AT ITS EXPENSE.
(MS-04/20/92) FILED: 04/21/92.
ACTION ON MOTION (34):
GRANTED. BY MERITS PANEL.
FILED: 04/24/92. (EOD 04/24/92
BY DF) 92-1048

April 24, 1992 SUPPLEMENTAL APPENDIX FOR
APPELLEE, filed. (MS-4/21/92) (cr)

May 7, 1992 ARGUED. (Lourie & Rader, JJ, &
Smith, SJ). (tth)

37. APPELLANT'S CITATION OF
SUPPLEMENTAL AUTHORITY.
(SENT TO PANEL) RECEIVED:
05/08/92 (EOD 05/08/92) (LP) 92-
1048

December 21, 1992 **REVERSED AND REMANDED**
(Rader, J) "JUDGMENT ENTERED"
(jb)
Each party shall bear its own costs.
Separate opinion (Lourie, J)
concurring.

**APPELLEE - COMBINED
PETITION FOR REHEARING AND
SUGGESTION FOR REHEARING IN
BANC (MS-01/13/93) FILED:
01/14/93 PETITION CIRCULATED:
01/21/93 SUGGESTION
CIRCULATED: 02/02/93
RESPONSE REQUESTED FROM:
APPELLANT (WINTERBOER,
D/B/A DEEBEE'S) RESPONSE
DUE: 02/18/93 RESPONSE FILED:
02/18/93 RESPONSE
CIRCULATED: 02/19/93 REPLY
RESPONSE FILED AND
CIRCULATED: 03/05/93
PETITION/SUGGESTION:
DENIED/DECLINED ON 03/25/93.
(EOD 03/25/93 BY BAH) 92-1048
HN, PN, GA, PM, JP would rehear.
Dissenting opinion by PN. (Pub.)**

* * *

March 29, 1993 Separate order by Rader, Circuit
Judge, concurring in the denial of
rehearing en banc. (Pub.) (pjt)

42. APPELLEE'S - MOTION TO
STAY THE MANDATE PENDING

FILING AND DISPOSITION OF A WRIT OF CERTIORARI. (FS-04/01/93) FILED: 04/01/93. REPLY 1 (43) FILED: 04/06/93. ACTION ON MOTION (44): GRANTED. BY MERITS PANEL. FILED: 04/13/93. (EOD 04/13/93 BY LP) 92-1048

45. PETITION FOR WRIT OF CERTIORARI FILED 06/23/93, SUPREME COURT #: 92-2038. U.S.L.W.: 62-3001 (EOD 07/13/93 BY JA) 92-1048

46. PETITION FOR WRIT OF CERTIORARI FILED 06/23/93, SUPREME COURT #: 92-2038. CERT. GRANTED ON 04/18/94. U.S.L.W.: 62-3690 (EOD 04/29/94 BY JA) 92-1048

APR 19 1973

Dr. W. R. Fehr
Agronomy Department
Iowa State University
Ames, Iowa 50010

Dear Dr. Fehr:

Since you have not been designated as a representative of Improved Variety Research, Inc., this Office cannot correspond with you regarding applications Nos. 72008 and 72009 on the 'Marshall' and 'Osage' varieties of soybean. We shall try to answer your questions as though they were hypothetical.

Situation I

(a) Both the farmer and the seedsman may infringe the rights of the owner under section 111(6) of the Plant Variety Protection Act by not properly marking or labeling a protected variety if the variety was properly marked when they received it.

(b) There is no limitation as to the amount of sales permitted a grower under section 113 of the Act except to the extent it may affect his "primary farming occupation" classification upon which the exemption is based. The courts will have to decide what is a farmer's primary farming occupation.

Situation II

(a) Any protected variety may be modified by incorporating a single gene without infringing on the owner's rights.

Situation III

- (a) A protected variety may be used in a blend.
- (b) The variety name may be preceded by an asterisk (*) and a footnote may indicate that this particular component of the blend is protected.
- (c) A protected variety can be sold under any number of brand designations; however, it cannot be protected unless the variety name is given. As long as the labeling clearly indicates what is the variety name and what is the brand name the labeling will comply with both the Plant Variety Protection Act and the Federal Seed Act. The brand designation should be designated as such each time it is used; for example, "Jones Brand 'Oshkosh' soybean."

Situation IV

- (a) Another breeding company can legally select an off-type hilum color, increase it, and merchandize it without responsibility to the original breeder of a non-stable variety.

Situation V

- (a) No - a character must be stable as stated in section 41(a)(3) of the Act.
- (b) No - a character which is not stable cannot be protected as part of a variety description.

Situation VI

- (a) An application which was voluntarily abandoned on May 3, 1972, cannot now be revived as provided in section 180.23(b) of the regulations under the Act. It can be

reconsidered only by refiling, and payment of a new application fee as provided in section 180.23(c) of the regulations.

Situation VII

- (a) Only the owner of a variety can apply for protection. He may designate a representative to advance the application and pay the fees. The owner may assign or sell his rights to anyone (as with personal property) under any arrangement he desires.

Sincerely,

/s/ S. F. Rollin

S.F. Rollin
 Commissioner, Plant Variety
 Protection Office
 Grain Division
 cc:
 C.R. Edwards
 Interpretation File

Iowa Certified Seed News
September - October 1984

Plant Variety Protection

The following are listings of plant varieties which could be grown in Iowa and which are protected under the Plant Variety Protection Act or the Plant Variety Protection Act-Title V option.

If a farmer whose primary occupation is the production of food and fiber, not seed, purchases a variety that IS NOT protected under the Title V option from a representative of the certificate holder, or a variety protected under the Title V option which was properly certified, he may sell seed produced from that purchased by variety name to another farmer whose primary occupation is the production of food and fiber, not seed. The second farmer, however, may not sell any seed produced by variety name. Sale of seed in a manner other than just outlined is a violation of the Plant Variety Protection Act. If a farmer advertises seed for sale IT IS ASSUMED that he is in the business of producing seed.

The number in parenthesis is that of the certificate holder, if published. An asterisk designates a variety for which application has been submitted as of December 31, 1983, but the certificate has not been issued. Such varieties are considered protected until the certificate is issued, the application is denied, or withdrawn.

The Roman number following a soybean variety is its Maturity Group and only Groups O through IV are listed unless the Maturity Group isn't available. A variety with a < > denotes a temporary designation. SRW following a

wheat variety means soft red winter, HRW means hard red winter, HRS means hard red spring, and SWW means soft white winter.

Iowa Certified Seed News
November - December, 1985

Plant Variety Protection

The following are listings of plant varieties which can be grown in Iowa and which are protected under the Plant Variety Protection (PVP) Act or the Plant Variety Protection Acts — Title V option. I have attempted to be accurate, however, this is not a legal document and the final authority is the Plant Variety Protection Office, Agriculture Marketing Service, U.S. Department of Agriculture, Beltsville, MD 20705, therefore, they should be contacted with questions, but please notify me of typing errors.

If a farmer whose primary occupation is the production of food and fiber, not seed, purchases a protected variety he/she may sell seed produced from that purchased by variety name to another farmer whose primary occupation is the production of food and fiber, not seed. The second farmer, however, may not sell the seed purchased or any produced from that purchased by variety name. Sale of seed in a manner other than just outlined is a violation of the Plant Variety Protection Act. If a farmer advertises seed for sale IT IS ASSUMED he/she is the business of producing seed.

The number in parenthesis is that of the certificate holder, if published. An asterisk designates a variety for which application has been submitted as of August 8, 1985, for PVP — Title V or December 31, 1983, PVP. Such varieties are considered protected until the certificate is issued or the application is denied or withdrawn.

The Roman number following a soybean variety is its Maturity Group and only Groups O through IV are listed unless the Maturity Group isn't available. A variety with a

< > denotes a temporary designation. HRW following a wheat variety means hard red winter, HRS means hard red spring, SRW means soft red winter, and SWW means soft white winter.

October 18 - 24, 1987

TO: Paul Fuller, Director
Livestock and Seed Division

FROM: Kenneth H. Evans, Commissioner
Plant Variety Protection Office

SUBJECT: Activity Report

Visitor to the PVP Office: DR. NEIL RUTGER of the University of California at Davis visited with Dr. Joseph Higgins on October 22, 1987. Dr. Rutger is a rice breeder with many new rice varieties for California. During the morning conference, a revision of the Rice Variety Description form was carefully considered character by character.

OGC interpreted that PVPA Regulations cannot be amended to clarify farmers' exemption: The PVP Office received an interpretation from Alexander Samofal and Robert A. Ertman of the Office of General Counsel stating that the Plant Variety Protection Act does not give the Department of Agriculture sufficient authority to amend the Regulations to further define what is exempted under section 113 of the PVPA. The Plant Variety Protection Advisory Board had unanimously recommended that the farmers' exemption should be studied and clarified by regulations if possible. If it is not possible to clarify by regulations, they suggested that amending the PVPA should be considered.

March 9, 1988

TO: Paul M. Fuller, Director
Livestock and Seed Division

FROM: Kenneth H. Evans, Commissioner
Plant Variety Protection Office

SUBJECT: Farmers' Exemption Committee Meeting

The Farmers' Exemption Committee meeting in Chicago on March 8, 1988, had all members present. See the attached list of members.

They agreed that the PVPA was in the public interest and that the seed industry needs a return on their investment to maintain research for developing new varieties. In the morning session each member was given 10 minutes to present their organization's position. The afternoon session was a discussion of the problem and possible solutions to the problem. Although the original positions expressed were rather divergent, the discussion produced a rather harmonious acceptance of the final definition reached. The members drafted this definition to present to the groups they represent for comment.

Their present recommendation is to have AMS define "such saved seed" as follows:

"'Such saved seed' as used in section 113 shall mean an amount normally required, following customary practices, for the production of a crop on land farmed by the person saving seed."

The wording suggested for clarification of "such saved seed" is not much different from the wording in the Act and appears to be at least one possible interpretation of the Act according to some at the meeting. They indicated that the Act states:

. . . it shall not infringe any right hereunder for a person to save seed produced by him from seed obtained, by authority of the owner of the variety for seeding purposes and use such saved seed in the production of a crop for use on his farm, or for sale as provided in this section: . . . to sell such saved seed to other persons so engaged, for reproductive purposes, . . .

The members' intent in the definition was to limit the crop or farmers' exemption to seed one would normally save for planting one's own farm and allow the farmer to either plant that seed or sell it if planting plans were changed or a small amount of excess was saved.

Their intent is to get a ruling, probably an amendment to the regulations, out of Agriculture; failing that, to propose an amendment to the Act.

Attached are the hand-outs of those members having written preliminary statements.

REPORT OF PVP FARMERS' EXEMPTION STUDY COMMITTEE

A broad-based Study Committee met in Chicago on March 8, 1988, to propose actions for reducing abuses of Section 113 of the Plant Variety Protection Act. In September 1987 the Plant Variety Protection Advisory Board had appointed a small committee to arrange for an ad hoc study committee to consider this widespread problem.

Eleven diverse national organizations with direct interests in crop production agriculture were represented on the Study Committee by designated leaders. They included commercial plant breeders, seed trade groups, crop commodity organizations, seed enforcement officials, farm cooperatives, general farm organizations, and seed certification. Specific commodities represented were cotton, soybeans, wheat and vegetable seeds. Two persons represented the PVP Advisory Board. A resource person from the PVP Office attended.

Section 113 of the PVP Act recognizes the right of a person to save seed produced from planting seed of a protected variety obtained, or descended from seed obtained, by authority of the owner of the variety and to use "such saved seed" in the production of a crop for use on the person's farm. It further recognizes the right "for a person, whose primary farming occupation is the growing of crops for sale for other than reproductive purposes, to sell such saved seed (underline added) to other persons so engaged, for reproductive purposes", provided such sale is in accordance with State laws. The right to sell seed for reproductive purposes under this provision, originally intended to permit a farmer to provide seed to neighbors as a customary, community practice, has led to widespread abuse.

A general consensus prevailed among members of the Study-Committee on two points:

1. The PVP Act, by assuring developers of improved varieties exclusive rights to reproduce and sell them and thereby to realize returns on their research investment, is beneficial to U.S. agriculture as worldwide competition in agriculture continues to increase.
2. Farmers who purchase seed of protected varieties should be allowed to save seed from what they produce to use for planting on their own land they directly farm.

Experience since enactment of the PVP Act in 1970 has shown that most farmers offering for sale seed produced from land planted to protected varieties have not realized that their act is illegal. They have ceased when so informed. A few have made a practice of merchandising substantial quantities of such "seed" illegally, enough to affect the returns to the developer and owner of the protected variety. Lack of definition in the PVP Act or pertinent regulations that would set a quantity limit for "such saved seed" has been a problem in legal interpretations and, thus, in enforcement.

The Study Committee recommends that the following be added to the list of definitions in Section 180.1 of Regulations and Rules of Practice under the Plant Variety Protection Act:

"Such saved seed" as used in Section 113 shall mean an amount normally required, following customary operating practices, for the production of a crop of the protected variety on land farmed by the person saving seed.

Rather than going to Congress for a change in the PVP Act, the Committee believes that the first action should be to add the above definition to regulations. This should be followed by extensive educational programs carried out by the seed trade, seed certification agencies, the Cooperative Extension Service, seed enforcement agencies, and other agricultural organizations to inform all crop producers of purposes and provisions of the PVP Act. Emphasis should be given to the benefits that accrue to all producers in U.S. agriculture from having a continuing flow of improved varieties for use on their farms.

Consideration should be given to changes in the PVP Act only if the addition of the definition of "such saved seed" and a broad education program do not lead to elimination of the major abuses that are occurring.

April 1988

Roster of Study Committee appended.

**PLANT VARIETY PROTECTION
FARMERS' EXEMPTION STUDY COMMITTEE
MEMBERS**

No. Name and address

1. Billy E. Caldwell, Head, Dept. of Crop Science, No. Car. State Univ., Raleigh, NC 27650
2. John C. Datt, Amer. Farm Bur. Fed., 600 Maryland Ave., SW, Suite 800, Washington, D.C. 20024
3. Donald G. Hanway, Prof. of Agronomy Emeritus, Univ. of Nebr., 6025 Madison Ave., Lincoln, NE 68507
4. Bill (William) Lovelady, Farmer representing National Cotton Council of America, Box 51, Tornillo, TX 79853
5. Foil McLaughlin, Exec. Vice Pres., Assoc. Official Seed Certifying Agencies, 3709 Hillsborough St., Raleigh, NC 27607
6. Larry W. Nees, Seed Admin., Dept. of Biochemistry, Purdue Univ., West Lafayette, IN 47907
7. Robert W. Pomig, Vice Pres. of Research, Northrup King Co, and Pres., Nat'l Council Commercial Plant Breeders, 7500 Olson Memorial Highway, Golden Valley, MN 55427
8. David Seehusen, Cenex/Land O'Lakes Ag Services representing Nat'l Council of Farm Cooperatives, 2827 Eighth Avenue South, Ft. Dodge, Iowa 50501

9. Virgil W. Smail, National Assoc. of Wheat Growers Found., 415 Second St., NE, Suite 300, Washington, D.C. 20002
10. David Stock, Producer representing the Amer. Soybean Assoc., Rte. 1, Box 112, Murdock, NE 68407
11. Paul C. Thomas, Senior Vice Pres., Petoseed Co., Inc., Rte. 4, Box 1255, Woodland, CA 95695
12. E. D. Weimortz, Pres., Cal/West Seeds representing the Amer. Seed Trade Assoc., P. O. Box 1428, Woodland, CA 95696-1428
13. Sidney B. Williams, Jr., Assoc. Patent Counsel, The Upjohn Co., 7000 Portage Road, Kalamazoo, MI 49001-0199

FARMER EXEMPTION STUDY COMMITTEE
For Plant Variety Protection Advisory Board

- I. From Farmer Organizations
 - A. Representing wheat growers
 - Dr. Virgil Smail
 - National Association of Wheat Growers Foundation
 - 415 Second Street, N.E., Suite 300
 - Washington, D.C. 20002
 - (202) 547-7800
 - B. Representing soybean growers
 - Mr. David Stock
 - Route 1, Box 112
 - Murdock, Nebraska 68407
 - (402) 867-2441 - home
 - 3771 - office
 - C. Designee of National Cotton Council of America
 - Mr. Bill (William) Lovelady
 - Cotton Producer
 - Box 51
 - Tornillo, Texas 79853
 - (915) 764-3967
 - D. Representing farmers in general
 - Mr. John Datt
 - American Farm Bureau Federation
 - 600 Maryland Avenue, S.W. Suite 800
 - Washington, D.C. 20024
 - (202) 484-0055

- II. From public agricultural workers
 - A. Representing seed certification
 - Mr. Foil McLaughlin, Executive Vice President
 - Association of Official Seed Certifying Agencies
 - 3709 Hillsborough Street
 - Raleigh, NC 27607
 - (919) 737-2851
 - B. Representing state seed enforcement officials
 - Mr. Mark Ringler
 - Seed Regulatory Supervisor
 - Illinois Dept. of Agriculture
 - 8th & Sangamon Street
 - Springfield, IL 62705
 - (217) 782-3817
 - C. Representing the National Council of Farm Cooperatives
 - Mr. David Seehusen
 - Cenex/Land O'Lakes Ag Services
 - 2827 Eighth Avenue South
 - Ft. Dodge, Iowa 50501
 - (612) 451-5151
- III. From the seed industry
 - A. Representing the seed industry in general
 - Mr. Ed Weimortz
 - Cal/West Seeds
 - P. O. Box 1428
 - Woodland, CA 95696-1428
 - (916) 666-3331

B. Representing commercial plant breeders
 Dr. Robert Romis, President
 National Council of Commercial Plant
 Breeders
 Northrup King
 7500 Olson Memorial Highway
 Golden Valley, Minnesota 55427
 (612) 593-7333

C. Representing vegetable seeds
 Dr. Paul C. Thomas, Senior Vice
 President
 Petoseed Co., Inc.
 Route 4, Box 1255
 Woodland, California 95695
 (916) 666-0931 office
 -2817 home

IV. Providing legal counsel
 Mr. Sidney B. Williams, Jr.,
 Associate Patent Counsel
 The Upjohn Company
 Kalamazoo, Michigan 49001
 (616) 385-7236

V. From the Plant Variety Protection Advisory Board
 Dr. Billy E. Caldwell, Head
 Department of Crop Science
 North Carolina State University
 Raleigh, North Carolina 27650
 (919) 737-2647
 Dr. Donald G. Hanway, Professor of
 Agronomy Emeritus
 6025 Madison Avenue
 Lincoln, Nebraska
 (402) 466-7135

Resource personnel from AMS, USDA

Mr. David Hallett, Deputy Director
 Livestock and Seed Division
 Agricultural Marketing Service, USDA
 P. O. Box 96456
 Washington, D.C. 20090-6456

Dr. Kenneth H. Evans, Commissioner
 Plant Variety Protection Office
 NAL Building, Rm. 500
 Beltsville, MD 20705-2351

2/15/88

TO: Thomas M. Walsh, Assistant General Counsel
Marketing Division, OGC

FROM: Paul M. Fuller, Director
Livestock and Seed Division

SUBJECT: Defining the Plant Variety Protection
"Farmer's Exemption" by Regulation

Numerous recent lawsuits are one evidence of the growing interest in proprietary rights for those who "invent" new plant varieties. While the seed industry is interested in all cases of infringement of varieties protected by Plant Variety Protection (PVP) certificates, a current area of particular focus is the crop exemption provision (known as the "farmer's exemption") under section 113 of the Plant Variety Protection Act (Act). This exemption was included in the Act so that a farmer could keep enough seed for himself and his neighbors. However, under this exemption as presently interpreted by some courts, a farmer can sell seed from land covering less than half of his total farm in up to three States.

The Plant Variety Protection Advisory Board (Board), at its meeting September 22, 1987, discussed the "farmer's exemption" and concluded that some farmer sales were in fact infringements and that these "serious abuses ... must be addressed promptly if the intent of Congress to encourage development of new varieties of plants is to be continued." The Board then selected three members to appoint a committee to study the farmer's exemption problem and recommend a solution.

The 3-member group appointed 13 study committee members representing 11 diverse national organizations from 5 different areas having vital interests in the seed industry: (1) the PVP Advisory Board, (2) farm organizations, (3) public agriculture workers, (4) the seed industry itself, and (5)

the legal and patent law segment. This 13-member study committee met in Chicago on March 8, 1988--with PVP Commissioner Kenneth Evans present as a resource person--and proposed that the following definition be added to the regulations:

"Such saved seed" as used in section 113 shall mean an amount normally required, following customary operating practices, for the production of a crop of the protected variety on land farmed by the person saving seed.

Assistant Secretary Gilles forwarded the farmer's exemption study committee report to the PVP Advisory Board members for their comments. In their responses to Dr. Gilles, a majority of Board members have approved the committee recommendations and supported clarifying the farmer's exemption by regulation. (One Board member questioned the proper procedure for implementing the recommendation, and four failed to respond at this time.)

Reaction to the study committee's recommendation of adding a definition of "Such saved seed" in the regulations to clarify the Act has indicated wide support. We believe clarification of the farmer's exemption in regulations is beneficial to the PVP program and to U.S. agriculture. Therefore, we agree with the study committee and the PVP Advisory Board that the suggested definition should be added by regulation, and we attach a docket proposing this amendment.

We request your concurrence with this proposed action to clarify the farmer's exemption by amending the regulations.

AMS:L&SD:PMFuller:KHEvans:jmb:08/26/88:344-2518

Mary Knudson and LeRoy Hansen
Intellectual Property Rights and the Private Seed Industry
 United States Department of Agriculture
 Economic Research Service
Agricultural Economic Report No. 654

* * *

A second law, the Plant-Variety Protection Act (PVPA), was passed in 1970. By this date, Congress had become convinced that sexually reproducing varieties could breed true. This law provided patent-like protection for sexually reproducing varieties, excluding celery, tomatoes, bell peppers, cucumbers, carrots, and okra. Several soup-vegetable species were omitted because of objections raised by canners and freezers (Ruttan, 1982, p. 195). These objections arose from the supposition that costs as well as prices would escalate if these vegetables were protected. To gain a Plant-Variety Protection Certificate (PVPC), granted by the U.S. Department of Agriculture (USDA), a breeder must prove that the variety is distinct, uniform, and stable. Protection begins when the breeder applies for a certificate (as opposed to when it is issued) and lasts for 17 years. However, in some cases, the Secretary of Agriculture can declare a particular variety open for public use, such as during a drought or a devastating disease in a particular crop, so as to guarantee an adequate supply of food and fiber.

The PVPA contains two additional exemptions. The first exemption is that farmers whose primary occupation is growing crops can use their harvested seed for planting and selling (crop exemption). This exemption has two weaknesses. First, 49 percent of a harvest can be sold as seed. In the case of Asgrow Seed Co. v. Kunkle Seed Co., Inc., et al., a district court ruled, and a Court of Appeals for the Federal circuit sustained, that the defendant could sell

seed from a protected soybean variety because less than 50 percent of his income came from such sales. Yet, this defendant had already sold 1.42 million pounds of this seed variety and appeared to be increasing his farm production only to increase his seed sales (U.S. Congress, OTA, 1989, p. 75). Farmers can also trade such seed among themselves for services or for other seed. The second exemption is that protected varieties can be used in research programs.

The PVPA was amended in 1980, but not without heated debate concerning increasing industry concentration and higher seed prices (Doyle, 1985; Kloppenburg, 1988). The amendment extended the time of protection from 17 to 18 years to be consistent with the Union for the Protection of New Varieties of Plants (UPOV), and the protection now included the six vegetable crops.⁶

* * *

⁶ UPOV provides an international framework for developing plant breeders' rights. The UPOV recommends protection be given for 15 or 18 years, depending on the crop. It was created in 1961 by Belgium, Denmark, France, the Federal Republic of Germany, Israel, Italy, the Netherlands, South Africa, Sweden, Switzerland, and the United Kingdom. The United States became a member in 1978 (Cooper, 1982).

FILED
 SIOUX CITY OFF. WESTERN DIV.
 NORTHERN DISTRICT OF IOWA
 1:59 P.M.
 JAN 24 1991

William J. (illegible) Clerk
 By /s/ J Hart
 Deputy

IN THE UNITED STATES DISTRICT COURT
 FOR THE NORTHERN DISTRICT OF IOWA
 AT SIOUX CITY

THE ASGROW SEED)
 COMPANY,)
 Plaintiff,)

v.)

DENNIS WINTERBOER)
 AND BECKY WINTERBOER,)
 d/b/a DEEBEE'S,)
 Defendants.)

CASE NO.
 C91-4013

COMPLAINT FOR PRELIMINARY AND
 PERMANENT INJUNCTION AND DAMAGES

Comes now the plaintiff, The Asgrow Seed Company (hereinafter referred to as "Asgrow"), and for its cause of action against the defendants states as follows:

Parties

1. At all times relevant hereto, Asgrow was and is a corporation organized under the laws of the State of Delaware with its principal place of business in the State of Michigan.

2. At all times relevant hereto, defendants, Dennis Winterboer and Becky Winterboer, were and are residents of Iowa, doing business as DeeBee's in Milford, Iowa.

Jurisdiction

3. This is a civil action for infringement of the Plant Variety Protection Act arising under Title 7, United States Code, Section 2541, et seq. This Court has jurisdiction by reason of Title 28, United States Code, Section 1331.

Count I

4. On September 24, 1982, the United States of America, under the Seal of the Plant Variety Protection Office, issued Plant Variety Certificate No. 8100082 to Asgrow for a novel variety of soybean named A1937. During the term of the Plant Variety Protection Certificate, Asgrow has the right to exclude the defendants, their employees and agents, and all others, from selling the variety, offering it for sale, reproducing it, importing it, exporting it, or using it in producing a hybrid or different variety therefrom, to the extent provided by the Act. A copy of said Certificate is attached hereto and made a part hereof as Exhibit A.

5. On June 30, 1987, the United States of America, under the Seal of the Plant Variety Protection Office, issued Plant Variety Certificate No. 8700079 to Asgrow for a novel variety of soybean named A2234. During the term of the Plant Variety Protection Certificate, Asgrow has the right to exclude the defendants, its employees and agents, and all others, from selling the

variety, offering it for sale, reproducing it, importing it, exporting it, or using it in producing a hybrid or different variety therefrom, to the extent provided by the Act. A copy of said Certificate is attached hereto and made a part hereof as Exhibit B.

6. Upon information and belief, Asgrow alleges that at various times since September 24, 1982, the Defendants have sold, offered for sale, exposed for sale, delivered and transferred Asgrow's novel variety A1937 in violation of Title 7, United States Code, Section 2541(1).

7. Upon information and belief, Asgrow alleges that at various times since September 24, 1982, the Defendants dispensed Asgrow's novel variety A1937 in a form which can be propagated, without the notice as to it being a protected variety under which it was received, in violation of Title 7, United States Code, Section 2541(6).

8. Upon information and belief, Asgrow alleges that at various times since September 24, 1982, the Defendants offered, sold, transferred, and used Asgrow's novel variety A1937 in various manners not authorized by Asgrow and in violation of Title 7, United States Code, Section 2541.

9. Upon information and belief, Asgrow alleges that at various times since June 30, 1987, the Defendants have sold, offered for sale, exposed for sale, delivered and transferred Asgrow's novel variety A2234 in violation of Title 7, United States Code, Section 2541(1).

10. Upon information and belief, Asgrow alleges that at various times since June 30, 1987, the Defendants dispensed Asgrow's novel variety A2234 in a form which can be propagated, without the notice as to it being a

protected variety under which it was received, in violation of Title 7, United States Code, Section 2541(6).

11. Upon information and belief, Asgrow alleges that at various times since June 30, 1987, the Defendants offered, sold, transferred, and used Asgrow's novel variety A2234 in various manners not authorized by Asgrow and in violation of Title 7, United States Code, Section 2541.

12. The acts of infringement set forth herein have threatened and continue to threaten irreparable harm to Asgrow, for which it has no adequate remedy.

WHEREFORE, Asgrow prays that the Court temporarily and permanently enjoin the Defendants and their agents and employees from:

a. Selling, offering or exposing for sale, delivering, shipping, consigning, exchanging, soliciting an offer to buy, or otherwise transferring title to or possession of any of Asgrow's novel varieties for which Plant Variety Protection Certificates have been issued to Asgrow or applied for by Asgrow, except with the permission of Asgrow;

b. Dispensing Asgrow's novel varieties to another, in a form which can be propagated, without the notice as to it being a protected variety under which it was received; and

c. Performing, or attempting to perform, without authority, any act which is an infringement of the Plant Variety Protection Act.

Count II

13. Asgrow incorporates by reference, as fully set forth herein, paragraphs 1 through 11.

14. As a result of the acts of the Defendants in using, selling, offering, exposing for sale, delivering and transferring title to Asgrow's novel varieties, and otherwise violating Title 7, United States Code, Section 2541, Asgrow has been damaged.

15. Pursuant to Title 7, United States Code, Section 2564(b), the Court is authorized to increase Asgrow's damages up to three times the amount determined.

16. As a result of the Defendants' violation of Asgrow's rights under the Plant Variety Protection Act, Asgrow is incurring, and will continue to incur, attorneys' fees and costs in this action. This case is an exceptional case, requiring an award of reasonable attorneys' fees.

WHEREFORE, Plaintiff prays:

- a. That the Court award judgment against the Defendant in an amount which will justly and adequately compensate Asgrow for the damages it has suffered;
- b. That said damages be trebled;
- c. That the Court award Asgrow reasonable attorneys' fees and costs; and
- d. For all other relief which the Court deems just and proper in the premises including prejudgment interest.

Respectfully submitted,

/s/ Lawrence C. Maxwell
Lawrence C. Maxwell
/s/ Mary Ellen Morris
Mary Ellen Morris
Trabue, Sturdivant & Dewitt
25th Floor
Nashville City Center
511 Union Street
Nashville, TN 37219-1738
(615) 244-9270

/s/ James C. Fifield
James C. Fifield
Duncan, Jones, Riley & Finley, P.C.
Fourth Floor, Equitable Building
Des Moines, Iowa 50309
(515) 288-0145

Bruce Stein
The Upjohn Company
7000 Portage Road
Kalamazoo, MI 49001
(616) 385-7107

Attorneys for Plaintiff,
The Asgrow Seed Company

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF IOWA -
WESTERN DIVISION

THE ASGROW SEED COMPANY,
PLAINTIFF,

VS

DENNIS WINTERBOER AND BECKY
WINTERBOER, d/b/a DEEBEE'S,
DEFENDANTS.

:
:
:
: CASE NO.
: C91-4013

ANSWER

Come now defendants and in answer state:

1. Admit paragraph 1.

2. Admit paragraph 2 and further state that DeeBee's is a trade name for horse feed sold by a family farm corporation owned by Dennis Winterboer and Becky Winterboer. The name of the corporation is D-Double-U Corporation.

3. Admit paragraph 3.

COUNT I

4. Deny paragraph 4 and further state that defendants have a right to save and sell seed under the farmer exemption, 7 U.S.C. §2543.

5. Deny paragraph 5 and further state that defendants have a right to save and sell seed under the farmer exemption, 7 U.S.C. §2543.

6. Admit that defendants have offered for sale bean seed, but deny it is in violation of Title 7, U.S.C. §2541(1) for reason those sales have been within the exemption of 7 U.S.C. §2543.

7. Admit that defendants have dispensed seed, but deny it is in violation of Title 7, U.S.C. §2541(6) for reason that it is within the exemption of 7 U.S.C. §2543.

8. Admit that defendants have offered for sale bean seed, but deny it is in violation of Title 7, U.S.C. §2541(1) for reason those sales have been within the exemption of 7 U.S.C. §2543.

9. Admit that defendants have offered for sale bean seed, but deny it is in violation of Title 7, U.S.C. §2541(1) for reason those sales have been within the exemption of 7 U.S.C. §2543.

10. Admit that defendants have dispensed seed, but deny it is in violation of Title 7, U.S.C. §2541(6) for reason that it is within the exemption of 7 U.S.C. §2543.

11. Admit that defendants have offered for sale bean seed, but deny it is in violation of Title 7, U.S.C. §2541 for reason those sales have been within the exemption of 7 U.S.C. §2543.

12. Deny paragraph 12.

13. By way of affirmative defense defendants state that sales of seed by defendants have been within the farmer-

to-farmer direct sale exemption provided for in 7 U.S.C. §2543.

WHEREFORE, defendants request the court dismiss the complaint for temporary and permanent injunction as to these acts of defendants which are within the farmer-to-farmer direct sale exemption of 7 U.S.C. §2543.

COUNT II

13. Defendants incorporate by reference as though fully set forth herein, their answers to paragraphs 1 through 11.

14. Deny paragraph 14.

15. Deny paragraph 15.

16. Deny paragraph 16.

17. Defendants affirmatively state that any and all sales by defendants are within the farmer-to-farmer direct sale exemption provided for in 7 U.S.C. §2543.

WHEREFORE, defendants request the court dismiss plaintiff's action, with costs taxed to plaintiff, and that defendants be awarded reasonable attorney fees under 7 U.S.C. §2565 as the prevailing party, which fees were incurred by defendants being required to defend a matter which has not been adequately investigated by plaintiffs prior to commencing the action.

/s/ Stephen F. Avery
Stephen F. Avery
CORNWALL, AVERY, BJORNSTAD & SCOTT
407 Grand Avenue, P. O. Box 3046
Spencer, IA 51301
(712) 262-1630

Attorney for Defendants

Copy to:

James C. Fifield
4th Floor Equitable building
Des Moines, IA 50309

Lawrence C. Maxwell
Mary Ellen Morris
25th Floor Nashville City Center
511 Union Street
Nashville, TN 37219-1738

Bruce Stein
The Upjohn Company
7000 Portage Road
Kalamazoo, MI 49001

CERTIFICATE OF SERVICE

The undersigned certifies that on 2/12/1991 the foregoing instrument was served upon all parties to the above cause by depositing a copy thereof in the U.S. Mail, postage prepaid in envelope addressed to each of the attorneys of record herein at their respective addresses disclosed in the pleadings.

/s/ Stephen F. Avery